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The Preservation of Industrial Peace

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THE AFTERMATH OF THE WAR

THE war has certainly left us in America in a most peculiar situation—a victorious nation, restored to the ways of peace, finds itself, notwithstanding victory, in the midst of a most serious industrial crisis. No man would, I presume, have believed in 1914, while thinking of the possibilities of the future, that the differences between capital and labor could come to be so tense as they actually are today. Yet the tenseness is a fact. Situations have developed which were unknown to our pre-war social and industrial economy, and they have been produced, it seems to me, because, after all, as a well-known philosophical lawyer said in Washington soon after the end of the actual war, the great struggle of 1914 to 1919 constitutes one of the two or three great convulsions that the world has had in all its history. He said that it was almost impossible for those who lived in the days of the gradual disintegration of the Roman Empire to understand the forces which were at play at that time, and that it was quite a time before those who lived and played their part in the convulsion in Europe that we call the French Revolution appreciated the end to which that great political movement led. And we today are still groping, so to speak, he said, because we are unable to appreciate the extent of the convulsion through which we have lately passed. In consequence, we are uncertain as to how we can get to a more just appreciation of the changed conditions.

Fortunately in America we at least

have the people broadened by the war so that the national mind looks clearly forward to a sane but more soundly progressive human society than anywhere else on the face of the earth.

INDIVIDUALISM AND SOCIALISM

A century and a quarter or more ago this nation was born. It was born literally of a revolution. It came into being as the result of the determination of our forebears to assert a scheme of individualistic government, throwing off all idea of the semi-autocracy of our Anglo-Saxon progenitors and organizing a humane, socially just, individualistic democracy, but a democracy truly individualistic and not socialistic. In that fight between individualism and despotism, we asserted our power. After the lapse of a century and a quarter we have to appreciate that, with the greatest of the world's resources in our hands, with our man power scarcely disturbed, with a broader conception of humanity than, perhaps, anywhere else on earth, we yet have an equally great fight—the fight of individualism against socialism.

It is not worth while to discuss socialism. Save for a few, thinking people do not believe, as the result of the keenest observation, that it will work. In our individualistic scheme of government, however, we must establish an order of social justice as distinguished from socialism, so complete, so all-embracing, that the masses of our people will understand its completeness, realize the efficacy of its operations for their welfare, and cease the combat between

classes so as to go along with a common purpose to maintain in all its vigor this great democratic country which, when all is said and done, must be the hope of civilization in the world.

THE CHANGED CONCEPTION OF FREE GOVERNMENT

With the war over our people must realize that the shocks of the struggle undoubtedly awakened sleeping forces in mankind all over the world. "To make the world safe for democracy" was a cry understood by the wage-earner to be a declaration that more assured opportunities are to be in store for him under free governments. The sternly individualistic doctrine of "every man for himself" is done forever. In the fight just ended the industrial army learned its power, as well as obtained a larger vision of its rights.

We must regard, then, the truth of the utterance of Hume, that "all the vast machinery of government is ultimately for no other purpose than the distribution of justice," and understand that such a thought carries justice alike for rich and poor, employer and employee. With that idea rooted in all our government acts hereafter, the sufficiency of our individualistic system must be an ever present object lesson for the toiler. The preservation of industrial peace with us depends upon our ability so to adjust the complex relations in our industrial life that the honest worker need not want to use his power because he has already been safeguarded in his rights and his well-being.

He would be a bold man indeed who offered a panacea for all the industrial ills of the day. Out of much travail will come their cure. Some fifty years ago, however, the great Lincoln addressed these words to the Congress:

You cannot, if you would, be blind to the signs of the times. I beg of you a calm and enlarged

consideration of them, ranging, if it may be, far above personal and partizan politics. . . . May the vast future not have to lament that you have neglected it.

Our collective responsibility, therefore, and the responsibility of each American, is great indeed. The man who toils with his hands will never again be considered as merely disposing of a commodity, "labor," in a market regulated only by the bloodless law of supply and demand. On the other hand, our opposition as a nation to socialism is based on the fundamental truth that civilization advances only through the ingenious direction of human labor by the extraordinary and unusual man, and that social justice is the distribution of prosperity under circumstances that assure to all comfort and beyond that a reasonable additional reward to those whose ingenuity has made general prosperity and happiness possible.

EMPLOYER'S RELATION TO EMPLOYEE

It is hard to generalize on the problems of the employer and employee. Each has just grievances, and each something substantial to do in the preservation of our industrial peace. We know that the superlative right of capital is gone, but it must not be succeeded by the tyranny of labor. What we in America understand by liberty under the law is simply that one may do what he pleases until something is done in violation of the common understanding of the public interest. And the use of liberty against the public interest is penalized.

It was my good fortune to be connected with one really great wage adjustment. I happened to sit as one of the members of the railroad wage commission, which for five months grappled with the well-nigh insolvable problems connected with the redistribution of the portion of the railroad earnings which

could be allocated to the wages of the employes that operated the various transportation systems of the country. It was also my good fortune to go into our west during the early period of the war on a confidential mission of about two months. I visited the states west of the Rocky Mountains and on the Pacific Coast at the time when we were just beginning our great war preparation. Our copper supplies from our great copper producing industry and our spruce supply in the great forests of the Pacific Coast were necessary—the one for munitions and explosives and the other for our great aeroplane program.

Certain obvious facts in each of those industries came under my notice which it seems to me in any real adjustment of the relationship between capital and labor we cannot fail to take into consideration and thoroughly to appreciate. One of them is this: up to the time of the war there was not in many of our industries an appropriate conception on the part of the employer for the situation of the employee. Capital believed that it had a so-called superior right. But in a scheme of liberty, equality and fraternity necessary to sustain a government such as ours, it has only an equal right in the successful plying of industrial activity. Now, capital failed to appreciate that in many of our industries the things which did not mean wages, did not mean money and consequent draft upon corporate or individual income, but which meant a saner, a more wholesome, a more humanitarian appreciation for the condition of the working man, were absolutely absent. In one of the great copper mining concerns of the Rocky Mountains many thousands of men were on strike with a wage schedule that was well in advance of the wage schedule exist-

ing in other great copper industries where the workers were performing well their part in that industry vital to the war. The most superficial inquiry disclosed simply this difference—that one concern was controlled by perfectly honest-minded but utterly unimaginative individuals, living far away from the industry, and having little appreciation of the small things in the way of service around the mills, the result of which was a feeling that after all the employees were what you all know they are not—merely an incident to capital in the sense of being one of the commodities entering into the finished product.

In the other concerns where the employees were all at work, I was told there was a conception of those little things to which employees attach importance: the willingness to listen about minor complaints, the adjustment of little matters in the way of physical services around and about the houses where the workers dwelt, the determination that company stores were to be operated so that the employee got the full benefit of systematic distribution of goods by the employer.

When you come to face this problem of industrial readjustment for the preservation of industrial peace, you need go no farther, it seems to me, than to recognize that over and beyond or, at least, equal to wages themselves and working conditions is the recognition of the existence in the employees of the desires of the human heart. This must be appreciated by the employer and must through his agencies be dealt with, be recognized and dwelt upon.

Both with the railroad workers and with these other groups of workers there was a belief that the existence of great fortunes indicated exploitation on the part of capital so that the employee is not receiving anything like his just proportion of industrial pros-

perity. It is quite true that the innumerable contributors of the capital, without which industry in the aggregate form cannot exist, have their sane and just property rights to be considered under our scheme of equal government, just as are the rights of the wage working employee, but it is the fact that we must recognize that, with the war over, with a broader humanity, a more thorough conception of democracy present with us, that the old-time scheme of individualistic government—of letting him live who can—has gone forever, and that there must be, if these men and these women are to be kept satisfied, an understanding among them that they are receiving a fair share of the result of industrial prosperity. As it is now, they do not understand it. They do not understand it because of a lack of determination up to this time on the part of the average American to take real interest in the employed class, and to get an understanding among them as to just what is necessary in a sound, industrial establishment, believing as we all do in the individualistic scheme of government, believing that the inventive genius and the unusual man is a necessary ingredient of organized society in order that the aggregate activity of the whole may be on the highest plane.

We have a duty to bring home to those who are used as an incident of that superior capacity and inventive genius, an understanding that the scheme of government under which we operate is the only one by which, with a fair distribution of the total productivity of industrial activity, the masses are going to be more prosperous than under any other scheme.

Equal Opportunity of Children

There is another belief that is widely prevalent—the belief that there is not a conception of the right in our

scheme of free government that the children of all shall have equal opportunity for complete education. Many men seemed to believe that their niche in life is carved by fate and that no matter how unusual their offspring might be, that by the carved niche in which they are fitted there is the barrier raised against their children. We have done little as yet to make understood throughout the length and the breadth of this land that there is equal opportunity in education, and in many quarters of this land we have done far too little from the plenitude of our individual fortunes to assure at all hazards a really equal opportunity for education.

The advance of our democratic civilization must be along the line of a duty on the part of prosperous society to assure at all hazards absolute equality of education to the children of all groups and classes. There cannot be, as the result of the accident of birth, in the future of free society the superior right of the scion of wealth to an education that the humblest in the land, if he possesses capacity, shall not have.

Obligations of the Employee

There has been no appreciation among the employed of the relation between efficiency and that enlarged production which contributes to the prosperity of all. The lack of this appreciation follows from the absence of dealing with labor upon the basis of the two things already referred to. Employees believe that there exists still the spirit of antagonism between capital and labor. They do not understand as yet that there is any thought in the investors' minds save that of the exploitation of labor. The result is that they have developed quite naturally in their minds an illogical notion of the limitation of production,

upon the theory that such action assures reasonable employment to all within their class.

I am not an economist but I make bold to say that the basic evil of our entire industrial system is that as yet the laborer has not had an understanding of the benefits which come to him from the relationship between reduced prices and greater productivity in an ordinarily prosperous country. He has never been made to understand the simple economic fact that money by itself means nothing, that it is after all but the convenient medium for the exchange of the abundance of commodities produced, to the end that there shall be a greater degree of comfort and luxury for all. In consequence he has not had brought home to him, by the sound relationship of his employer to him, and the thorough-going distribution of a full share of the industrial profit, the understanding that productivity and efficiency in labor mean prosperity for the laborer, and he will only understand that when those among the capital class who control our greater industries make up their minds to adopt in practice the sound recommendations of the recent industrial conference, so that there will be such a distribution to labor of the actual profit from industry that labor itself will have a thorough-going conception of the relation which its efficiency and its consequent productivity bears to its own prosperity and its own uplift.

The matters I have discussed at random are all serious problems. I have sought to bring home to you an appreciation of the duty which capital and labor owe each to the other, to the end that there shall be as far as possible in our plan of orderly government an elimination of classes. Make no mistake about the importance of these problems. By your education,

by your superior advantages, you have a duty resting upon you far in advance of that resting upon the ordinary employee in the lower stratum of our social structure. It is a quite mistaken idea that the duty flows from them to you. One of the great railroad presidents with a marvelous catholicity of spirit, for he is one of the most human men I ever knew, said to me one day that he never, as a manager, had the courage to quarrel with a mistake of a section man, because if the section man had had the opportunity that he as president had he would not still be a section man. That is a simple truism, and it is not the duty that the employed class owe to you that you are concerned about, but it is the duty that you owe to the employed class that is the concern of the nation.

By your superior opportunity, by your broader vision, by your finer conception of what liberty under the law in this great republic means, you have a transcendent duty cast upon you to make the great masses of the people understand by your conduct that there is a new individualism which is to bring closer together, rather than to set farther apart, the various elements of society.

I heard an amusing incident not long ago that illustrates the ridiculous conceptions of some people. A good lady, no doubt with the best of motives, thinking to do something to ameliorate the extravagance of the wives of the workmen in a great industrial establishment, motored around in her beautiful car, bedecked in her most exquisite clothes with a diamond wrist-watch on her wrist, to protest against the purchase of phonographs by the wives of the workmen in the industrial establishment! She believed no doubt that her expenditures were necessities and the others extravagances. We must narrow the spread

between the unusual and the ordinary man by example, by teaching, by appreciation, of the problems which confront us in relation to industrial stability. We will help to narrow them

when we take a theoretical program such as has been evolved by the industrial conference and apply it in concrete fashion to the peoples with whom we from day to day come in contact.